

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting on Agency Manpower Planning and Control,
13 July 1959

PERSONS PRESENT: Mr. Rocco Siciliano, White House
Mr. Joseph Winslow, White House
Mr. John Carroll, White House
Mr. Fred Lawton, Civil Service Commissioner
Mrs. Barbara Gunderson, Civil Service Commissioner
Mr. Robert Macy, Bureau of the Budget
Mr. Frank Ecker, Bureau of the Budget
Col. L. K. White
Mr. Lawrence Houston
Mr. Gordon M. Stewart



1. Colonel White started the proceedings with an explanation of the purpose of the meeting, which he said was (1) to set forth the problems confronting the Central Intelligence Agency as a result of the disproportionate distribution of personnel according to age throughout the middle and higher grade categories, and (2) using this presentation as a point of departure, to invite those attending the meeting to express their views concerning what remedies might be sought by the Agency. He reviewed the circumstances which influenced the rapid build-up of the Agency, and particularly the circumstances which accounted for the recruitment, during the period of the Korean conflict, of personnel predominantly in young age brackets. [redacted] then discussed very briefly the mission of CIA, its role in the development of national security policy and the principal elements of its organization structure. [redacted] then conducted a briefing on the statistical dimensions of the problem.

2. Mr. Stewart summarized the implications of the statistical materials which [redacted] had presented. He said that as the Agency had explored more deeply how it might come to grips with the problem of imbalance, it had become rather apparent that the situation was not one

which could be effectively solved simply through an early retirement plan along the lines of the Ellsworth formula. This plan (which provided for retirement eligibility at age 50 with full annuity, upon completion of 20 years' Federal service, including at least 10 years overseas, computed at a straight 2 per cent factor) had been discussed with several of the meeting participants last year. Because of the age distribution of the bulk of the personnel in the Clandestine Services, combined with the general pattern of their length of Federal service, the proposed early retirement plan would in actual practice be applicable only to a very small number of employees, and that only from 1964 on could we look to this program as a useful adjunct to our personnel management policies. He said that as we proceeded with our study of the imbalance it became rather clear that a two-fold approach was needed. In the first place, it seemed necessary to come up with a plan which would enable the Agency to bring its staff into reasonable balance in terms of age, grade, and essential skills and qualifications responsive to operational requirements. Secondly, it would be necessary to assure that once a reasonably proportioned staffing situation had been reached, that appropriate means would be available and used to keep it that way. Mr. Stewart felt that the early retirement legislation previously discussed would be an important element in the success of this second and continuing stage. Mr. Stewart then invited suggestions of how the Agency might best proceed in developing a legislative proposal to establish necessary authorizations.

3. Mr. Siciliano agreed that the CIA had a problem of imbalance of personnel and that our situation seemed to parallel that of the Foreign Service, except that we were several years behind the State Department in terms of the impact upon its personnel management responsibilities, including the factor of personnel morale. He said that whatever the proposal to Congress might be, it must be made clear that the Agency is operating an effective program for weeding out incompetent and substandard personnel and that the new legislation is not conceived as a means to accomplish what the proper functioning of management should be able to accomplish. He said that it was quite clear that the Congress had rejected recent State Department legislative proposals for relief to correct its personnel hump situation primarily because the State Department had not exercised its normal obligation to separate its less effective officers and that the benefits in the proposed legislation would therefore accrue to people who actually should have been involuntarily separated years ago-- in many cases early in their careers. Speaking more to this point, Mr. Siciliano said Congress had developed a state of mind with respect to the State Department problem which might encompass the Agency as well unless

we did everything we could to demonstrate that our situation was not caused by factors comparable to those of State, particularly stressing that our problem did not develop as the product of poor management practices.

4. Mr. Siciliano and Mr. Winslow said they felt that the Agency's situation might well warrant asking Congress to approve termination payments for those persons who were employed during the early 1950's and would not generally qualify for annuities. Mr. Lawton felt that the Agency should blueprint what he termed an optimum organization within which the staff would be proportioned according to age, grade and qualifications. Additionally, the plans should provide for an interim organization which would be operative at various stages until the permanent optimum organization would be realized. This master plan would be developed in considerable detail to show, for example:

- (a) Numbers of personnel who would be released with separation payments at each grade level.
- (b) Number of personnel released with annuities at each grade level.
- (c) Definition of type of service to be given credit for purposes of separation payments; formulae for amount of such payments, and related factors.
- (d) Mechanisms for planning and control of future intake, promotions, and related actions essential to maintain an optimum organization.

5. Mr. Winslow said that it would be most important to show Congress that the Agency would be in a position to plan and control recruitment and promotion in order to keep the Agency in balance in the future. He felt that whereas the circumstances of the Agency's rapid growth would largely explain our present problem, the Congress would have to be assured that any solution offered through legislation would be followed up with sound management control.

6. Mr. Macy felt that tactically considered, a legislative proposal for authority to realign the Agency's manpower and an explanation of how we intend to reduce total size would appropriately fit into any discussion at the next session of our need for an addition to the new building.

7. Mr. Siciliano suggested that the Agency avoid relating its problem with the present hump problem in the Navy Officer Corps since the latter situation has generated so much bitterness and friction within and without the Navy.

8. Mr. Siciliano was most emphatic in his view that the Agency's proposals to Congress must be in the form of a single, unified plan, i.e., the authorities required to invoke a course of action whereby the Agency will be able to achieve a balanced staffing situation, and subsequently the means for maintaining such a staff. He said that any other course would assure Congressional disapproval since the Congress would want to be fully assured that whatever procedures were put in effect to overcome our problem would dovetail into procedures to keep the problem from recurring.

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MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Mr. Winslow on 16 July 1959

1. I asked Mr. Winslow whether, in his opinion, it would be wrong for the Agency to plan to achieve a significant part of its over-all net reduction in personnel by using the retirement and the separation-with-terminal-annuity procedures that we had described and discussed on 13 July. He replied that there could be no objection as long as net reduction in the size of the Agency is a by-product of those measures designed to eliminate humps and to provide the Agency with a continuing healthy distribution and turnover of personnel; however, if we were to take our legislative proposals forward as the only solution to the problem on over-all reduction, we would get nothing but resistance and criticism. The reason for this is that the Director has agreed on several occasions to achieve a reduction in the size of the Agency, and many people in the Executive Branch look to him to accomplish this on the basis of his present authorities.

(NOTE: I interpret Winslow's statement and other remarks along this general line made by Macy and Siciliano to mean that we should be prepared at the time we go forward to demonstrate that we are indeed already doing something about attrition and the selection-out of dead wood.)

2. Winslow then said that Macy had called him and had made the following points:

a. [] should have been present at the meeting on 13 July.

b. CIA is too prone to compare itself with the Foreign Service and with the military services (the implication being, I take it, that CIA ought to regard

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itself more like the established line agencies that conduct their affairs under the normal Civil Service procedures.)

c. The problem raised by us on Monday is common to most of the Government and presumably CIA should at most participate in some governmentwide solution to this problem. (Winslow said that he did not agree with this at all. There are points of similarity between our problems and problems elsewhere, but, in his opinion, CIA should certainly forge ahead to work out its own solution.)

d. That CIA should get rid of its people by taking, for example, surplus personnel in Europe and offering them assignments in Africa, the idea being that they would quit rather than accept such assignments.

3. Winslow said that he reminded Macy that the proposal for hump legislation authorizing us to retire and separate people was, in fact, proposed to the Foreign Service by Roger Jones when Jones was Deputy Chief of the Bureau of the Budget.

4. Winslow said that in his opinion the Foreign Service solution to the problem of personnel management has some very serious bugs in it. To illustrate: take an isosceles triangle and consider this to be a picture of your personnel situation. You should be able to draw parallel lines from points near the peak down to the base and consider the personnel at the ascending grade levels inclosed by this jet-shaped figure as your hard core. You would expect these people to progress toward the top, and if they fail to progress you would either place them over in one of the side triangles or separate them. The trouble with the Foreign Service is that they have everybody in the isosceles triangle trying to move toward the top, and if they fail to move the only solution their system offers is separation.

(NOTE: Winslow's description of the organization of personnel for the purposes of promotion,

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selection for higher positions, or selection out, appeals to me. The two side triangles take into account the careers of such people as accountants, interrogators, translators, etc., whom one would not expect to move up, and those in the central section are your JOT's, your IDI and DEP intelligence officers and your DDS executive types. There is no doubt but that the structure of the central core must be carefully managed and provide for advancement, competition and selection out. In the two side triangles your principal concern is adequacy of performance in terms of the job with no up or out requirement.)

Gordon M. Stewart
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Director of Personnel

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Remarks:

Two Memoranda for the Record are attached as follows:

1. Meeting on Agency Manpower Planning and Control, 13 July 59
2. Conversation between Mr. Winslow and Mr. Stewart re Agency Manpower Problem, 16 July 59

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